

HELM-ATLANTIC ASSOCIATES
LIMITED PARTNERSHIP

One Embarcadero Center • San Francisco, CA 94111

415/398-4510

FAX 415/398-4816

VIA AIR COURIER

November 17, 1997

Mr. Vernon Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

RECORDATION NO. 21033 FILED

NOV 28 '97

9-32AM

NOV 28 9 32 AM '97

RECEIVED
SURFACE TRANSPORTATION
BOARD

Dear Mr. Williams:

Enclosed are two (2) originals of the Memorandum of the Net Lease Agreement made as of July 22, 1997 ("**Memorandum**") between the following parties:

Lessor:	Helm-Atlantic Associates Limited Partnership c/o Helm Atlantic Corporation One Embarcadero Center, Suite 3700 San Francisco, CA 94111
Lessee:	J. Cloud Incorporated c/o Hester's Granite Company 2094 Willow Glen Drive El Cajon, CA 92021

The equipment involved in this transaction is as follows:

Equipment:	Fifteen (15) railcars as more fully described in <u>Schedule A</u> to the Memorandum.
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Please file this agreement as a primary document. A check covering the filing fee of twenty-four dollars (\$24.00) is enclosed.

Sincerely,



Eric W. Stoll
Document Administrator

/es

Enclosures (2)

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9-32AM

**MEMORANDUM OF
NET LEASE AGREEMENT**

THIS MEMORANDUM OF NET LEASE AGREEMENT ("Memorandum") is made as of July 22, 1997 and is intended to evidence that certain Net Lease Agreement dated as of July 22, 1997 ("**Lease**") between HELM-ATLANTIC ASSOCIATES LIMITED PARTNERSHIP, a Delaware limited partnership ("**Lessor**"), J. CLOUD INCORPORATED, a California corporation ("**Lessee**"), and ~~HESTER'S GRANITE COMPANY, a California corporation~~ ("**Guarantor**"), for the purpose of satisfying the requirements of recordation with the Surface Transportation Board of the Department of Transportation under Section 49 of U.S.C. 11301. Lessor has the right to lease the rail equipment, more fully described in Schedule A hereto ("**Units**"). Lessee leased from Lessor the Units at the Rent and upon the terms and conditions provided in the Lease.

The Lease and the Units cannot be assigned, subleased or in any way encumbered without the prior written consent of Lessor. Lessee has granted a security interest unto Lessor in and to any and all Payments, as such term is defined in the Lease, including, without limitation, any and all Rent and other Payments pursuant to any sublease of the Units. In the Event of Default, as such term is defined in the Lease, Lessee assigns any and all subleases to Lessor.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be executed by their duly authorized representative as of the day and year first above written.

LESSOR

LESSEE

HELM-ATLANTIC ASSOCIATES
LIMITED PARTNERSHIP

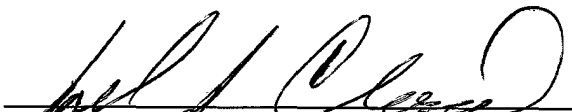
J. CLOUD INCORPORATED

By: Helm Atlantic Corporation,
its General Partner

By: 

Print Name: David R. Eckles

Its: President


By: 

Print Name: Joel J. Cloud

Its: President

GUARANTOR

~~HESTER'S GRANITE COMPANY~~

By: 

Print Name: Joel J. Cloud

Its: _____

SCHEDULE A
TO THE MEMORANDUM OF LEASE

THE UNITS

Equipment Description:

Fifteen (15), 3350 cubic foot, 100-ton, four-pocket, open top hopper railcars.

Unit Numbers:

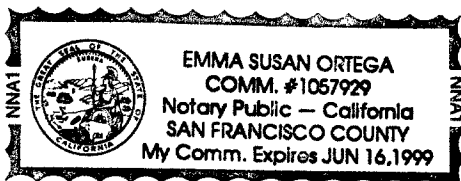
HATX 45169-45183

STATE OF CALIFORNIA)
) S.S.
COUNTY OF SAN FRANCISCO)

On November 13, 1997, before me, Emma S. Ortega, personally
appeared David R. Eckles, President of **HELM ATLANTIC CORPORATION**,

☒ personally known to me -OR-

☐ proved to me on the basis of satisfactory evidence to be the person(s)
whose name(s) is/are subscribed to the within instrument and acknowledged
to me that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted,
executed the instrument.



Witness my hand and official seal.

Emma Susan Ortega
SIGNATURE OF THE NOTARY

[Notarial Seal]

STATE OF CALIFORNIA)
) S.S.
COUNTY OF SAN DIEGO)

On SEPTEMBER 17, 1997, before me, SUSAN M. BANKES, personally
appeared JOEL J. CLOUD, PRESIDENT of
J. CLOUD INCORPORATED,

☐ personally known to me -OR-

☒ proved to me on the basis of satisfactory evidence to be the person(s)
whose name(s) is/are subscribed to the within instrument and acknowledged
to me that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted,
executed the instrument.



Witness my hand and official seal.

Susan M. Bankes
SIGNATURE OF THE NOTARY

[Notarial Seal]

STATE OF CALIFORNIA)
) S.S.
COUNTY OF SAN DIEGO)

On SEPTEMBER 17, 1997, before me, SUSAN M. BANKES, personally
appeared JOEL J. CLOUD, _____ of
~~HESTER'S GRANITE COMPANY,~~

Joel J. Cloud

_____ personally known to me -OR-

☒ proved to me on the basis of satisfactory evidence to be the person(s)
whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged
to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized
capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted,
executed the instrument.



Witness my hand and official seal.

Susan M. Bankes

SIGNATURE OF THE NOTARY

[Notarial Seal]

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